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FM AMEMBASSY SANTIAGO
TO DEPT OF TREASURY WASHDC IMMEDIATE
SECSTATE WASHDC IMMEDIATE 3926
INFO MERCOSUR COLLECTIVE PRIORITY
DEPT OF COMMERCE WASHDC PRIORITY

C O N F I D E N T I A L SANTIAGO 000985

TREASURY FOR SSENICH
COMMERCE FOR KMANN
STATE PLEASE PASS TO USTR KATE DUCKWORTH
STATE PLEASE PASS TO FEDERAL RESERVE TOM CONNORS
STATE FOR E, WHA/BSC, WHA/EPSC, EEB/IFD/OMA

E.O. 12958: DECL: 11/04/2018
TAGS: [ECIN](#) [ECON](#) [EFIN](#) [EINV](#) [PGOV](#) [PREL](#) [CI](#)
SUBJECT: REQUEST FROM CHILEAN PRESIDENT BACHELET

Classified By: Ambassador Paul E. Simons. Reason 1.4 (b) and (d).

¶1. (SBU) President Bachelet called the Ambassador on November 4 at her initiative to convey her congratulations on the U.S. electoral process and to express her desire that our bilateral relations continue to strengthen in the transition to a new U.S. administration.

¶2. (C) During the conversation, the President took the opportunity to raise her desire for Chilean participation in the upcoming G-20 process. (Foreign Minister Foxley and Central Bank Governor De Gregorio had communicated similar requests over the prior week.) The President noted that during the IberoAmerican Summit in San Salvador last week, the G-20 discussion had evolved in an unfortunately populist direction. It would be helpful, she suggested, if moderate voices from countries such as Chile and Spain could be added to the process. She had asked Finance Minister Velasco to approach Secretary Paulson to discuss this issue. Perhaps one additional country from each continent could join as either observers or full members. In the meantime, she said, Chile would convey its views through G-20 members Mexico and Brazil.

¶3. (C) COMMENT. In the wake of Argentina,s announcement of its intention to nationalize its private pension system, Chileans from across the political and economic spectrum have chafed at Chile,s exclusion from the G-20 process. While they recognize that it would be difficult to reopen G-20 membership, they view Chile along with Brazil and Mexico as the three Latin countries with the deepest capital markets and the intellectual capital to make a significant contribution to any effort to revisit the structure of the international financial system. The President along with Chile,s senior economic leadership are looking for some positive public recognition for Chile,s pragmatic macroeconomic policies and some way to play a role in the future reform process. END COMMENT.

SIMONS